REMARKS

Careful review and examination of the subject application are noted and appreciated.

CLAIM REJECTIONS UNDER 35 U.S.C. §102

The rejection of claims 1-18 under 35 U.S.C. \$102(e) as being anticipated by Jeon (2004/0066848) is respectfully traversed and should be withdrawn

 $\label{eq:concerns} \mbox{ a direct mode motion vector calculation}$ method for B picture (Title).

In contrast, claim 1 of the present invention provides a method for determining a first and a second reference picture used for inter-prediction of a macroblock, comprising the steps of (A) finding a co-located picture and block, (B) determining a reference index, (C) mapping the reference index to a lowest valued reference index in a current reference list and (D) using the reference index to determine the second reference picture. Claim 10 provides similar limitations. Jeon does not disclose such steps.

In particular, the method of the present invention is concerned with determining a first and a second reference picture for inter-prediction of a macroblock. Inter-prediction relates to using information from a previous picture (or frame) when processing a current picture. In contrast, the cited sections of Jeon are concerned with Intra mode issues. In particular, Jeon

predicts a motion vector of a current block by looking at neighboring blocks. The Examiner's attention is directed to paragraph 88 of Jeon that discusses Intra mode issues. The cited sections of Jeon provide no discussion of Inter-prediction.

Furthermore, the Office Action cites paragraph 90 as support for step (c) of the present invention. However, the presently claimed step (c) maps the reference index to a lowest valued reference index in a current reference list. The current reference list is used for Inter-prediction, as discussed above. The claimed current reference list provides mapping (see step (C)) to a lowest valued reference index. Paragraph 90 of Jeon clearly discusses neighboring blocks, which is not related to Interprediction, as presently claimed. Paragraph 90 of Jeon looks at neighboring blocks to determine one reference index. Determining one reference from a current picture is not consistent with either Inter-prediction or the steps of the claimed invention. Since Jeon does not discuss Inter-prediction, Jeon does not disclose or suggest each of the elements of the claimed invention and the rejection should be withdrawn.

The Examiner's attention is also directed to claim 3, which is believed to be independently patentable.

Since the reference relied on in the current Office Action does not disclose the claimed elements, the Examiner is requested to either send (i) a notice of allowance or (ii) a non-

final Office Action with new references. Alternatively, the Examiner is asked to initiate a telephone interview if further clarification is needed.

Accordingly, the present application is in condition for allowance. Early and favorable action by the Examiner is respectfully solicited.

The Examiner is respectfully invited to call the Applicants' representative between the hours of 9 a.m. and 5 p.m. ET at 586-498-0670 should it be deemed beneficial to further advance prosecution of the application.

 $\label{eq:final_section} \mbox{If any additional fees are due, please charge Deposit} \mbox{ Account No. 12-2252.}$

Respectfully submitted,

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Dated: August 30, 2007

c/o Lloyd Sadler LSI Corporation

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